

**SCOTTSDALE TOURISM DEVELOPMENT COMMISSION
CITY OF SCOTTSDALE
PINNACLE CONFERENCE ROOM
7575 EAST MAIN STREET
SCOTTSDALE, ARIZONA
NOVEMBER 18, 2003
MINUTES**

PRESENT: Tom Morrow, Chairman
Margaret Dunn, Commissioner
Sally Shaffer, Commissioner
Ned Sickle, Commissioner

ABSENT: Shaun Robinson, Vice Chairman
Jerry Gleason, Commissioner

STAFF: Kathy Montalvo
Kathy O'Connor
Rebecca Eickley

OTHERS PRESENT FOR ALL OR PORTIONS OF THE MEETING:

Rachel Sacco
Brent DeRaad
Tim McGrane
Davida Schiffman Smith
Bob Cafarella
Tim Owens
Lauren Kapinos

Chairman Morrow stated they did not have a quorum so they could not officially call the meeting to order but could exchange information.

SCOTTSDALE CONVENTION & VISITOR'S BUREAU UPDATE

Ms. Sacco updated the Commission on what the CVB staff is working on. She discussed the first quarter bookings noting they are up in leads and bookings over the last year. They are planning for the upcoming season of Native Trails. She reported the Board of Directors at their retreat identified some key issues and have developed three Task Forces: product development, maintain market share, and revamp the advertising program.

Lauren Kapinos, Director of Marketing, Scottsdale Convention & Visitors Bureau, provided an overview of the Inquiry Response Intelligence System – IRIS. She provided

an overview on the statistics for the IRIS database. She also discussed how the CVB employs automated campaigns.

Ms. Kapinos reported they are able to customize communication. Two of Scottsdale's top destination drivers are Golf and Art & Culture. With a resounding number of inquirers requesting information on both topics, they are able to segment their database and send communications that target the individual's personal interests. She reviewed the summer and fall results.

Ms. Kapinos provided information on the co-operative advertising for CVB members. Due to the economic downturns, they have seen a drop in co-operative investments from the resort, golf, art, and dining partners recently. These email campaigns provide a cost-effective way for a larger population of the CVB membership to participate in the overall destination marketing efforts. Minimal sponsorship fees allow members to have a presence within these emails, which link directly to their membership information and travel within the CVB website.

Chairman Sickie inquired how many people participate in the co-operative advertising. Ms. Kapinos replied there are 32 members.

(Commissioner Dunn arrived at 8:10 a.m.)

Ms. Kapinos provided a quick overview of the database profile for Scottsdale inquiries.

Commissioner Sickie inquired if there were any surprises in terms of where these people are coming from. He also inquired if there was anything they can see doing differently with regard to the marketing advertising database. Ms. Sacco stated with this information they are looking at the return on investment and can measure exactly how they are performing.

Ms. Kapinos walked through the Advertising Report that outlines the media insertions and the cost per inquiry, the economic impact per inquiry, and the total economic impact. Ms. Sacco stated this reported allows them to see if something is not working, and allows them to get some good systems in place for guiding their investments.

Chairman Morrow inquired if they had a target for what they are paying per inquiry. Ms. Sacco stated it varies and they did not have a standard. She further stated some are measurable and some are not. What this gives them is a sense for evaluating the big picture. Commissioner Sickie commented he was surprised at how much the cost per inquiry was.

Commissioner Dunn inquired how confident they were about the accuracy of the percentages. Ms. Kapinos stated she felt they were accurate but they did not have a plus or minus percent on accuracy. Commissioner Dunn noted she felt this was awesome information but was not sure if it was a complete accurate picture. Ms. Sacco stated they

would come back after they have tweaked the report to provide a more accurate picture. Commissioner Dunn stated it is a terrific foundation.

CALL TO ORDER

Chairman Morrow called the regular meeting of the Scottsdale Tourism Development Commission to order at 8:33 a.m.

ROLL CALL

A formal roll call confirmed members present as stated above.

APPROVAL OF MINUTES

A MOTION WAS MADE BY COMMISSIONER SHAFFER TO APPROVE THE MINUTES OF THE OCTOBER 21, 2003 MEETING MINUTES AS PRESENTED. THE MOTION WAS SECONDED BY COMMISSIONER SICKLE AND PASSED UNANIMOUSLY.

SCOTTSDALE CONVENTION & VISITOR'S BUREAU UPDATE

Chairman Morrow requested they continue their CVB discussion.

Mr. DeRaad provided a brief overview of the Visitor Industry Customer Analysis. The CVB has contracted their database-marketing partner to conduct a Visitor Industry Customer Analysis. The CVB will compare its inquirers' profiles to those of actual visitors who stay at each property. The purpose of this analysis is to provide the CVB and its members with insight into the leisure resort visitor; demographics, and lifestyle. By analyzing profile differences between inquirers and visitors, CVB and its members can better target and leverage their individual and collective marketing initiatives. Their database-marketing partner will work with the CVB and its members to translate their learning into actionable recommendations to enhance return on investment on the marketing budget.

PRO CYCLING TOUR

Tim Owens, CEO, Event Promotions, provided background information on Event Promotions. He stated they have been looking for opportunities to bring events to the Valley. He further stated they want to bring the Pro Cycling Tour to the Valley in the spring of 2005. He remarked this would be a perfect event for the Valley because it is outdoors. He further remarked they are looking at creating the Sun Pro Cycling Tour and have three races: Phoenix Area, San Diego and Las Vegas.

Mr. Owens provided information on tremendous increase in pro cycling. He reported that these races would be televised on NBC.

Mr. Owens stated he had a computer videotape of the San Francisco Pro Cycling race where there were 600,000 in attendance over a 10-mile course. He shared his experience from attending that race.

(The Commission viewed the video.)

Mr. Owens passed out a package that was put together on the Sun Pro Cycling Series. He reviewed the fact sheet. He stated they project 6,300 room nights would be generated from this event. He further stated they are looking at making this an annual event. He noted this is a proven product and they are not starting anything new. He discussed the race budget for a typical race.

Chairman Morrow inquired about their timeline. Mr. Owens replied they would be pitching the corporate sponsors in January so he would like to know by January if this Commission was interested. He stated they have already talked to Tempe and they were excited about this event. He further stated that Tempe is open to collaboration with Scottsdale.

Ms. O'Connor stated this would be placed on the December agenda for further discussion.

RETREAT FOLLOW-UP-ITEMS

Proforma Revision

Ms. Eickley stated at the retreat the Commission asked to have the tourism proforma revamped. She reviewed the adjustments made to the proforma.

McDowell Sonoran Preserve Funding Update

Ms. Eickley stated at the retreat the Commission requested staff provide information about alternate forms of funding for the proposed additions to the Preserve. She further stated the City Manager has requested her to put together a report for City Council that included the updated information on the Preserve as it relates to other competing city needs.

Ms. Eickley discussed the report done by the Preservation Ad Hoc Committee. She apologized for the complicated nature of the report. She stated the primary funding sources would be either property tax or sales tax. She further stated either method would require an election. She provided information on the logic behind raising the property tax and sales tax and how each would affect the residents of the city.

Ms. Eickley stated they discussed forming a community facilities district (CFD) for all the properties north of the CAP canal so those people would be paying a slightly higher property tax than the people living in the south would.

Ms. Eickley stated property taxes are the stronger way to fund the Preserve because property taxes are growing much faster than sales tax. She further stated if they were to increase the sales tax they would become less competitive especially when people are making large purchases such as automobiles.

Commissioner Sickles stated there seems to be compelling reasons why they should go with property taxes to fund the preserve but the McDowell Sonoran Preserve Commission is recommending sales tax. Ms. Eickley stated the Ad Hoc Funding Committee did two surveys and both surveys indicated the voters would prefer sales tax but the voters didn't have the information you have before you today. She further stated property taxes are very difficult to get passed in elections.

Chairman Morrow inquired given the complexity of this information if it was possible to educate the public. Ms. Eickley replied it takes time to walk people through this information so they should try to do an executive summary.

(Commissioner Sickles left at 9:30 a.m.)

Chairman Morrow stated there are two pieces of land they are aiming to add to the Preserve on Scottsdale Road and Pima Road that are the most expensive pieces of land and from a preservation standpoint are probably the least usable. He inquired why they were so adamant about acquiring those two pieces. Mr. Cafarella stated that is a difficult question to answer. He further stated the original task force identified those two parcels. There is the desire to keep as many of our major street frontages open and maintain the overall sense of openness. Having open space is a significant community amenity.

Chairman Morrow stated more access to the Preserve would benefit tourism such as providing jeep tours. Mr. Cafarella stated the Council was very clear that there would be no motorized vehicles in the Preserve. He further stated one of the biggest frustrations is that they have purchased this land and they have not been able to use it so they are aggressively working on getting the trailheads in place.

Ms. O'Connor stated at the retreat they also discussed changing the meeting time to later in the day and having a study session prior to the regular meeting. Chairman Morrow stated they could not make a decision today because they no longer have a quorum.

ADMINISTRATOR'S REPORT

Ms. O'Connor discussed the status of the bed tax report. She reported the Smith Travel Report was not ready and she would bring it to the December meeting.

Ms. O'Connor stated they would have a new commissioner at the December meeting.

UPCOMING EVENTS AND COMMISSION BUSINESS

Chairman Morrow reported the next regularly scheduled meeting would take place, Tuesday December 16, 2003.

PUBLIC COMMENTS

Brian Munson stated he is a member of the City of Scottsdale Environmental Quality Advisory Board. He further stated he was here to discuss Sol Fest Event that would be held on April 16th – April 18th. He thanked the Commission for their letter of support. He reported they have added a Kid Fest and they are looking for 300 volunteers to assist with that event. They are also asking for a resolution of support. He noted he would be glad to come to the December meeting with suggested resolution language.

ADJOURNMENT

The meeting concluded at 9:50 a.m.

Respectfully submitted,

“For the Record” Court Reporters.